

Kamyab Jawan Youth Entrepreneurship Scheme Pre-Feasibility Study Goat Fattening Farm



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1. DISCLAIMER

This information memorandum is to introduce the subject matter and provide a general idea and information on the said matter. Although, the material included in this document is based on data / information gathered from various reliable sources; however, it is based upon certain assumptions which may differ from case to case. The information has been provided on an 'as is where is' basis without any warranties or assertions as to the correctness or soundness thereof. Although, due care and diligence has been taken to compile this document, the contained information may vary due to any change in any of the concerned factors, and the actual results may differ substantially from the presented information. SMEDA, its employees or agents do not assume any liability for any financial or other loss resulting from this memorandum in consequence of undertaking this activity. The contained information does not preclude any further professional advice. The prospective user of this memorandum is encouraged to carry out additional diligence and gather any information which is necessary for making an informed decision; including taking professional advice from a qualified consultant / technical expert before taking any decision to act upon the information.

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2. PURPOSE OF THE DOCUMENT

The objective of the pre-feasibility study is primarily to facilitate potential entrepreneurs in project identification for investment. The project pre-feasibility may form the basis of an important investment decision and in order to serve this objective, the document/study covers various aspects of project concept development, start-up, production, marketing, finance and business management.

The purpose of this document is to facilitate potential investors in goat fattening farm by providing them with a general understanding of the business with the intention of supporting potential investors in crucial investment decisions.

The need to come up with pre-feasibility reports for undocumented or minimally documented sectors attains greater imminence as the research that precedes such reports reveal certain thumb rules; best practices developed by existing enterprises by trial and error, and certain industrial norms that become a guiding source regarding various aspects of business set-up and its successful management.

Apart from carefully studying the whole document one must consider critical aspects provided later on, which form the basis of investment decisions.

3. INTRODUCTION TO SMEDA

The Small and Medium Enterprises Development Authority (SMEDA) was established in October 1998 with an objective to provide fresh impetus to the economy through development of Small and Medium Enterprises (SMEs).

With a mission "to assist in employment generation and value addition to the national income, through development of the SME sector, by helping increase the number, scale and competitiveness of SMEs", SMEDA has carried out 'sectorial research' to identify policy, access to finance, business development services, strategic initiatives and institutional collaboration and networking initiatives.

Preparation and dissemination of prefeasibility studies in key areas of investment has been a hallmark of SME facilitation by SMEDA.

Concurrent to the prefeasibility studies, a broad spectrum of business development services is also offered to the SMEs by SMEDA. These services include identification of experts and consultants and delivery of need based capacity building programs of different types in addition to business guidance through help desk services.

4. INTRODUCTION TO SCHEME

Prime Minister's 'Kamyab Jawan – Youth Entrepreneurship Scheme', for young entrepreneurs between the age group of 21 - 45 years, is designed to provide subsidized financing through the National Bank of Pakistan, Bank of Punjab and Bank of Khyber under the guidance and supervision of the State Bank of Pakistan.

The loans will be disbursed to SME beneficiaries across Pakistan, covering; Punjab, Sindh, Khyber Pakhtunkhwa, Balochistan, Gilgit Baltistan and Azad Jammu & Kashmir. The Program aims to provide 25% of the loans to women entrepreneurs.

Loans provided through Kamyab Jawan Program are segregated in two tiers: Tier 1 loans fall in the range of Rs. 100,000 to Rs. 500,000, with Debt: Equity 90:10 and 6% markup to borrower, and, Tier 2 loans are from Rs. 500,000 to Rs. 5 Million, with Debt: Equity 80:20 and 8% markup to borrower. Both loans are for a period of upto 8 years with a grace period of 1 year.

Application forms are available both in branches and dedicated websites of National Bank of Pakistan, Bank of Punjab and Bank of Khyber.

5. EXECUTIVE SUMMARY

The project is related to setting up goat fattening farm in which, young goats preferably males are raised on nutritionally balanced feed or Total Mixed Ration (TMR) to get the targeted weight gain of greater value. These goats are grown in groups and each batch stays on farm for a period of 120 days. The expected live body weight gain ranges between 120 - 140 grams/day. Higher yields are achievable with better farm management and better quality breeds such as Teddy for meat production.

Goats are raised in rural and semi-urban areas where there is abundance of fresh water, fodder and natural vegetation. The fattened goats are sold primarily in livestock markets (mandies). A farm of maximum capacity for 660 goats per annum is suggested in this pre-feasibility study as a viable economic size to enter this business. Total estimated investment of Rs. 2.31 million is required with fixed investment of Rs. 0.51 million and working capital of Rs. 1.80 million (the working capital is for one batch of goats). The Internal Rate of Return (IRR), Net Present Value (NPV) & payback period of the project are 48%, Rs. 7.28 million and 2.23 years respectively. The proposed project is a sole-proprietorship.

6. BRIEF DESCRIPTION OF PROJECT & PRODUCT

The proposed project is based on raising 660 goats per year in a farm in three production batches, each having 220 goats in one batch of 120 days. The goats (preferably males, however, females may also be used in case of unavailability of males) of 6-8 months of age are fed on nutritionally balanced concentrate ration or Total Mixed Ration (TMR) as major source of energy and protein in addition to green fodder for a period of 120 days to get higher body weight gain. Initial live body weight of goats is around 15 kg. If these goats are fed properly on formulated fattening feed, an additional weight, up to 15 kg can be achieved. The daily weight gain varies between 120 to 140 grams depending on the quality of feed given to them. This project will provide direct employment to four people. The proposed business may be established in rural and peri-urban areas of major cities such as Pattoki, Sahiwal, Bahawalnagar, Rahim Yar Khan, Jehlum, Mandi Bahauddin, Bahawalpur, Karachi, Sakkar, Dadu, Hyderabad, Peshawar, Charsadda, D.I. Khan, Lasbela, Qila Saifullah, Quetta etc. The farm should be located in a place where there is abundant availability of fodder, natural vegetation and water. Although, there is year round market, however the demand increases especially before occasions like Eid-ul- Azha, where well fed animals are sold at a higher price than usual weight based price.

7. CRITICAL FACTORS

- Background knowledge and related experience of the entrepreneur in goat farm operations.
- Application of good husbandry practices such as timely feeding, watering and vaccination to ensure animal's health and disease-free environment.
- Awareness of the supply and demand of goats in the market both for general consumption and sacrificial purpose.
- Efficient marketing of the project and bulk supply to wholesalers.

8. INSTALLED & OPERATIONAL CAPACITIES

The project will operate at 100% of its capacity in its first year of operations; hence, the farm will start its operations with fattening of 660 goats. The farm will be operating on its maximum production capacity of 660 goats (100% of installed capacity) from the very first year of operations.

9. GEOGRAPHICAL POTENTIAL FOR INVESTMENT

This project is intended to setup in a rural and peri-urban areas of all the major cities like Lahore, Faisalabad, Sargodha, Bahawalpur, Islamabad, Karachi, Hyderabad, Sukkar, Quetta, Lasbela, Peshawar and D.I. Khan, as these are major markets of meat. Farm land and rural areas with abundant water, good soil for fodder and natural vegetation for goats make it a better choice for goat farming; provided there is access to livestock mandies and veterinary services.

10. POTENTIAL TARGET MARKETS / CITIES

Apart from major cities, livestock markets in all the cities and peri-urban locations across the country are the primary markets in addition to specially arranged locations in larger cities during Eid festival in the urban markets. The price of fattened goats varies according to health of animals and market conditions. Normally animals are sold on 'Live Body Weight' basis. In this feasibility, Rs. 500 per kg of live body weight is assumed as selling price. Following are some of the target clients for goat fattening farmers;

- Livestock traders
- Butchers
- Contractors
- Slaughter house owners

11. GOAT FATTENING PROCESS

Selection of good goat breed: There are 37 breeds of goats reported in Pakistan, among which, good breeds are considered to be; Beetal, Dera Din Panah and Teddy in Punjab, Barbari and Kamori in Sindh, Kaghani and Jatal in Khyber Pakhtunkhawa, and Khurassani, Lehri and Pahari in Balochistan. The availability of young stock is not a problem as twinning, triplet kidding and early maturity are common features of goats.

Teddy is a meat type, small sized breed, kept for good meat production and conformation with 52-55% dressing percentage. After fattening, the fat to muscle composition is also acceptable. Beetal goat is more desirable for Eid-ul-Azha as it has higher weights and more marbling with higher dressing percentage.

Selection of animals with excellent body score and conditions: initial live body weight should be around 12-15 kg at 6-8 months of age. Small and emaciated animals may also be accepted for fattening as research shows that these animals respond positively in terms of feed efficiency.

Housing: should be dry, comfortable and airy with proper and frequent removal of droppings, urine

and waste material (droppings can be used as bio fertilizer for growing crops/ fodder). Farm should be established on scientific lines with adequate space allocation according to the number of goats. It should be built east-west length wise to permit maximum day light and sun for natural disinfection.

A dipping bath pit of approximately 15-20 sq.ft is necessary for giving the dip of medicines mixed water to young stock for removing external parasites.

Feeding: Adequate weight gain can be achieved through use of balanced feed purchased from well reputed companies or it can be formulated accordingly. Animal should be fed TMR @ 3 % of live body weight. Additionally, salt blocks can help in better daily weight gains. Green fodder is offered at 5% of body weight (wet basis) to every animal.

Watering: Daily supply of clean drinking water in clean troughs i.e. 5 to 10 liters of water consumption/animal/day maintains the production capacity of the animal. Due to TMR and salt offered, animal tends to consume more water.

Disease management: Timely vaccination against infectious diseases and timely medication for endo-parasitic infestations. Following is a tentative schedule for vaccination;

Table 1: Tentative Vaccination Schedule

Disease	Vaccine	Vaccination time	Duration of Immunity
Foot and Mouth Disease (FMD)	FMD Vaccine	Start of spring	4 months
Contagious Pustular Dermatitis (CPD)	CPD vaccine	April-October	4 months
Anthrax	Anthrax spore vaccine	March-April	One year
Goat Pox	Goat pox vaccine	March-September	4 months
Enterotoxaemia	Enterotoxaemia vaccine	January- July	Six months
Pleuro-pneumonia	Pleuropneumonia vaccine	October-November	4 months

Selection of good productive animals and regular culling of uneconomical animal.

Record keeping for each batch: The animals should be ear-tagged on arrival at the farm. The information to be recorded includes breed of animal, initial live weight, age, date of purchase etc. The records for regular weight gain, medication and de-worming etc. are also important.

Regular technical assistance from the livestock professionals and experts.

12. PROJECT COST SUMMARY

Cost and revenue related assumptions along with results of the analysis are outlined in this section; projected Income Statement, Cash Flow Statement and Balance Sheet are attached as Annexures.

12.1. Project Economics

Table 2: Project Economics

Description	Details
Internal Rate of Return (IRR)	48%
Payback Period (yrs)	2.23
Net Present Value (NPV)	Rs. 7,282,753

12.2. Project Financing

Following table provides details of equity required and variables related to bank loan;

Table 3: Project Financing

Description	Details
Markup to the Borrower (%age/annum)	8%
Tenure of the Loan (Years)	8
Grace period (Year)	1
Debt (80%)	Rs. 1,849,251
Equity (20%)	Rs. 462,313

12.3. Project Cost

Following requirements have been identified for operations of the proposed business.

Table 4: Investment for the Project

Capital Investment	Amount (Rs.)
Machinery & equipment	447,500
Furniture & fixtures	20,000
Office Equipment	5,000
Pre-operating costs	35,241
Total Capital Costs	507,741
Working Capital	
Raw material inventory (incl. cost of one lot of goats)	1,659,831
Upfront building rent (for one batch)	20,058
Cash	123,933
Total Working Capital	1,803,822
Total Investment	2,311,563

12.4. Space Requirement

Following table shows area requirements of the proposed project;

Table 5: Space Requirement

Description	Total Area (Sq.ft.)
Management building	150
Shed for animals	2,640
Store	240
Attendant's room	136
Dipping bath	50
Open paddock	5,280
Total Infrastructure	8,496

The monthly rent of the building and infrastructure is estimated to be approximately Rs. 20,000/-

12.5. Machinery, Equipment & Furniture

Following table provides list of machinery and equipment required for Goat Fattening Farm.

Table 6: List of Machinery, Equipment and Furniture

Description	Units	Price /Unit (Rs.)	Total Cost (Rs.)
Chopper for fodder	1	60,000	60,000
Water pump and tank	1	80,000	80,000
Feeding mangers	15	10,000	150,000
Tubs	5	1,500	7,500
Hand carts	2	10,000	20,000
Movable weighing scale (3'x3' Platform with capacity of 200 kg)	1	100,000	100,000
Miscellaneous farm utensils		30,000	30,000
Total furniture	Lump sum	20,000	20,000
Mobile Phone	1	5,000	5,000
Total			472,500

12.6. Raw Material Requirements

Table 7: Cost of Material

Description	Unit	Rate (Rs.)	No. of Goats	Total Rs.
Animal Purchase	Per goat	6,750	660	4,455,000
*Feed (TMR)	Per goat	2,231.71	660	1,472,930
Feed (Green Fodder)	Per goat	797.04	660	526,046
Vaccination/ Medication	Per goat	150.00	660	99,000
Total Cost				6,552,976

Note: Figures have been rounded off to the nearest decimal place.

12.7. Human Resource Requirement

Table 8: Human Resource Requirement

Description	No. of Employees	Monthly Salary (Rs.)	Annual Salary (Rs.)
Farm Manager/ Owner	1	25,000	300,000
Farm Attendants	3	17,500	630,000
Total Staff	4		930,000

Total of four employees including owner of the farm would be required for effective management of the farm.

12.8. Revenue Generation

Table 9: Revenue Generation

Description	Unit	Sale Price Rs./Unit	First Year Production (Units)	Revenue in Year 1 (Rs.)
Selling of fattened goats	Per goat	14,700	627*	9,216,900
Total				9,216,900

* Out of total 660 goats, 33 are lost due to mortality @5% per annum. The selling price is Rs 500/- per kg live body weight of goat.

12.9. Other Costs

Vaccination & medication cost which is assumed at Rs. 150 per animal. The transportation cost required for freight of goats is estimated to be Rs. 50,000 per batch, communication charges are at 24,000 per annum. Cost of direct electricity is approx. Rs 10,300 per month and cost of machinery repair and maintenance is Rs. 19,000/ year. These are costs in the first year of production.

13. CONTACTS OF SUPPLIERS AND CONSULTANTS

Table 10: Table of Suppliers and Consultants

Feed Suppliers	
Hi-Tech Feeds (Pvt.) Ltd. Address: 1-A, Shadman Chowk Jail Road, Lahore Ph: 042-37564503 Fax : 042-37564508	ICI Pakistan Feed Address: 63-Mozang Road Lahore Ph: 042-36370042
Anmol Vanda c/o Livestock and Dairy Development Department, Govt. of Punjab, Address: 16-Cooper Road, Lahore Ph: 042-99239819	Big Feed (PVT) Ltd. Address: 2-A, Ahmad Block, New Garden Town, Lahore Ph: 042-35835374-35835373
Consultants	
Department of Livestock Management, Faculty of Animal Husbandry, University of Agriculture, Faisalabad, Pakistan Ph: 041-9200161-170	Dr. Abdul Rehman Director, Directorate of Small Ruminants, Multan, L&DD, Punjab Ph: 061-9210417
Livestock and Dairy Development Department, Govt. of Punjab, 16-Cooper Road, Lahore. Toll free: 0800-78685, 0800-78686	Dean, Faculty of Animal Production and Technology, University of Veterinary and Animal Sciences, Lahore Ph: 042-9211398
Livestock Mandies	
The animals may be procured from local goat breeders and livestock mandies located in different districts such as Pattoki, Okara, Bahawalnagar, Lodhran, Vehari, Khanewal, Arifwala, Pakpattan etc. as scheduled by Livestock and Dairy Development Department, Govt. of The Punjab Lahore. Free Landline: 0800-78685, 0800-78686	
Meat Contractors/ Processors	
Mr. Younas Qureshi Chairman Red Cow Meat Products of Pakistan 125/ 13-B-1, Township, Lahore. Ph: 042-35112603	Punjab Agriculture and Meat Company (PAMCO) 5/8 Shaheen Complex, Egerton Road Lahore. Ph: 042-36370661
All Pakistan Meat Processors and Exporters Association (APMEPA) Address: 177-B, Johar Town Lahore. Ph: 042-35169450-51 Fax: 042-35169449 Email: info@apmepa.com	

14. ANNEXURE

14.1 Profit & Loss Statement

Statement Summaries										SMEDA
Income Statement										Rs. in actuals
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenue	9,216,900	10,138,590	11,152,449	12,267,694	13,494,463	14,843,910	16,328,301	17,961,131	19,757,244	21,732,968
Cost of Goods Sold										
Feed & Vaccination Cost	2,097,976	2,307,774	2,538,551	2,792,406	3,071,647	3,378,812	3,716,693	4,088,362	4,497,199	4,946,918
Cost of Goat	4,455,000	4,900,500	5,390,550	5,929,605	6,522,566	7,174,822	7,892,304	8,681,535	9,549,688	10,504,657
Direct Labor	930,000	1,023,000	1,125,300	1,237,830	1,361,613	1,497,774	1,647,552	1,812,307	1,993,538	2,192,891
Inward Transportation Cost of Goats	150,000	165,000	181,500	199,650	219,615	241,577	265,734	292,308	321,538	353,692
Repair & Maintenance	19,000	20,900	22,990	25,289	27,818	30,600	33,660	37,026	40,728	44,801
Utilities	123,500	135,850	149,435	164,379	180,816	198,898	218,788	240,667	264,733	291,207
Total Cost of Sales	7,775,476	8,553,024	9,408,326	10,349,159	11,384,075	12,522,482	13,774,731	15,152,204	16,667,424	18,334,166
Gross Profit	1,441,424	1,585,566	1,744,123	1,918,535	2,110,388	2,321,427	2,553,570	2,808,927	3,089,820	3,398,802
<i>General administration & selling expenses</i>										
Administration expense	-	-	-	-	-	-	-	-	-	-
Rental expense	240,696	264,766	291,242	320,366	352,403	387,643	426,408	469,048	515,953	567,549
Utilities expense	-	-	-	-	-	-	-	-	-	-
Travelling & Comm. expense (phone, fax, etc.)	24,000	26,400	29,040	31,944	35,138	38,652	42,517	46,769	51,446	56,591
Office vehicles running expense	-	-	-	-	-	-	-	-	-	-
Office expenses (stationary, etc.)	-	-	-	-	-	-	-	-	-	-
Promotional expense	-	-	-	-	-	-	-	-	-	-
Insurance expense	-	-	-	-	-	-	-	-	-	-
Professional fees (legal, audit, etc.)	-	-	-	-	-	-	-	-	-	-
Depreciation expense	47,250	47,250	47,250	47,250	47,250	47,250	47,250	47,250	47,250	47,250
Amortization expense	7,048	7,048	7,048	7,048	7,048	-	-	-	-	-
Property tax expense	-	-	-	-	-	-	-	-	-	-
Miscellaneous expense	-	-	-	-	-	-	-	-	-	-
Subtotal	318,994	345,464	374,580	406,609	441,840	473,546	516,175	563,068	614,649	671,389
Operating Income	1,122,429	1,240,102	1,369,542	1,511,926	1,668,549	1,847,882	2,037,395	2,245,859	2,475,170	2,727,412
Other income	-	-	-	-	-	-	-	-	-	-
Gain / (loss) on sale of assets	-	-	-	-	-	-	-	-	-	-
Earnings Before Interest & Taxes	1,122,429	1,240,102	1,369,542	1,511,926	1,668,549	1,847,882	2,037,395	2,245,859	2,475,170	2,727,412
Interest expense	153,487	140,519	123,474	105,015	85,024	63,374	39,926	14,533	-	-
Earnings Before Tax	968,943	1,099,583	1,246,068	1,406,911	1,583,525	1,784,508	1,997,468	2,231,326	2,475,170	2,727,412
Tax	46,894	59,958	76,910	101,036	127,529	157,676	189,620	224,699	265,034	315,482
NET PROFIT/(LOSS) AFTER TAX	922,048	1,039,625	1,169,158	1,305,874	1,455,996	1,626,832	1,807,848	2,006,628	2,210,136	2,411,930
Balance brought forward		922,048	1,961,674	3,130,832	4,436,706	5,892,702	7,519,534	9,327,382	11,334,010	13,544,146
Total profit available for appropriation	922,048	1,961,674	3,130,832	4,436,706	5,892,702	7,519,534	9,327,382	11,334,010	13,544,146	15,956,076
Dividend	-	-	-	-	-	-	-	-	-	-
Balance carried forward	922,048	1,961,674	3,130,832	4,436,706	5,892,702	7,519,534	9,327,382	11,334,010	13,544,146	15,956,076

14.2 Balance Sheet

Statement Summaries											SMEDA
Balance Sheet											
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	Rs. in actuals										
Assets											
<i>Current assets</i>											
Cash & Bank	123,933	1,149,221	1,718,119	2,334,007	2,992,241	3,685,753	4,404,390	5,134,116	5,856,014	6,890,942	18,620,065
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-
Finished goods inventory	-	-	-	-	-	-	-	-	-	-	-
Equipment spare part inventory	-	-	-	-	-	-	-	-	-	-	-
Raw material inventory	1,659,831	2,008,396	2,430,159	2,940,493	3,557,996	4,305,175	5,209,262	6,303,207	7,626,880	9,228,525	-
Pre-paid annual land lease	-	-	-	-	-	-	-	-	-	-	-
Pre-paid building rent	20,058	22,064	24,270	26,697	29,367	32,304	35,534	39,087	42,996	47,296	-
Pre-paid lease interest	-	-	-	-	-	-	-	-	-	-	-
Pre-paid insurance	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	1,803,822	3,179,681	4,172,549	5,301,197	6,579,604	8,023,231	9,649,186	11,476,411	13,525,890	16,166,763	18,620,065
<i>Fixed assets</i>											
Land	-	-	-	-	-	-	-	-	-	-	-
Building/Infrastructure	-	-	-	-	-	-	-	-	-	-	-
Machinery & equipment	447,500	402,750	358,000	313,250	268,500	223,750	179,000	134,250	89,500	44,750	-
Furniture & fixtures	20,000	18,000	16,000	14,000	12,000	10,000	8,000	6,000	4,000	2,000	-
Office vehicles	-	-	-	-	-	-	-	-	-	-	-
Office equipment	5,000	4,500	4,000	3,500	3,000	2,500	2,000	1,500	1,000	500	-
Total Fixed Assets	472,500	425,250	378,000	330,750	283,500	236,250	189,000	141,750	94,500	47,250	-
<i>Intangible assets</i>											
Pre-operation costs	35,241	28,193	21,145	14,096	7,048	-	-	-	-	-	-
Legal, licensing, & training costs	-	-	-	-	-	-	-	-	-	-	-
Total Intangible Assets	35,241	28,193	21,145	14,096	7,048	-	-	-	-	-	-
TOTAL ASSETS	2,311,563	3,633,124	4,571,693	5,646,043	6,870,153	8,259,481	9,838,186	11,618,161	13,620,390	16,214,013	18,620,065
Liabilities & Shareholders' Equity											
<i>Current liabilities</i>											
Accounts payable	-	352,618	396,959	447,640	505,697	572,351	649,048	737,501	839,745	958,198	636,837
Export re-finance facility	-	-	-	-	-	-	-	-	-	-	-
Short term debt	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	-	352,618	396,959	447,640	505,697	572,351	649,048	737,501	839,745	958,198	636,837
<i>Other liabilities</i>											
Lease payable	-	-	-	-	-	-	-	-	-	-	-
Deferred tax	-	46,894	106,852	183,762	284,799	412,327	570,004	759,624	984,322	1,249,356	1,564,839
Long term debt	1,849,251	1,849,251	1,643,896	1,421,496	1,180,638	919,788	637,288	331,341	-	-	-
Total Long Term Liabilities	1,849,251	1,896,145	1,750,748	1,605,259	1,465,437	1,332,116	1,207,292	1,090,964	984,322	1,249,356	1,564,839
<i>Shareholders' equity</i>											
Paid-up capital	462,313	462,313	462,313	462,313	462,313	462,313	462,313	462,313	462,313	462,313	462,313
Retained earnings	-	922,048	1,961,674	3,130,832	4,436,706	5,892,702	7,519,534	9,327,382	11,334,010	13,544,146	15,956,076
Total Equity	462,313	1,384,361	2,423,986	3,593,144	4,899,019	6,355,015	7,981,847	9,789,695	11,796,322	14,006,459	16,418,389
TOTAL CAPITAL AND LIABILITIES	2,311,563	3,633,124	4,571,693	5,646,043	6,870,153	8,259,481	9,838,186	11,618,161	13,620,390	16,214,013	18,620,065

Note: Total assets value will differ from project cost due to first installment of leases paid at the start of year 0

14.3 Cash Flow Statement

Statement Summaries											SMEDA
Cash Flow Statement											Rs. in actuals
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<i>Operating activities</i>											
Net profit	✓ -	922,048	1,039,625	1,169,158	1,305,874	1,455,996	1,626,832	1,807,848	2,006,628	2,210,136	2,411,930
Add: depreciation expense	✓ -	47,250	47,250	47,250	47,250	47,250	47,250	47,250	47,250	47,250	47,250
amortization expense	✓ -	7,048	7,048	7,048	7,048	7,048	7,048	7,048	7,048	7,048	7,048
Deferred income tax	✓ -	46,894	59,958	76,910	101,036	127,529	157,676	189,620	224,699	265,034	315,482
Accounts receivable	✓ -	-	-	-	-	-	-	-	-	-	-
Finished good inventory	✓ -	-	-	-	-	-	-	-	-	-	-
Equipment inventory	✓ -	-	-	-	-	-	-	-	-	-	-
Raw material inventory	(1,659,831)	(348,565)	(421,763)	(510,333)	(617,503)	(747,179)	(904,087)	(1,093,945)	(1,323,673)	(1,601,645)	9,228,525
Pre-paid building rent	(20,058)	(2,006)	(2,206)	(2,427)	(2,670)	(2,937)	(3,230)	(3,553)	(3,909)	(4,300)	47,296
Pre-paid lease interest	-	-	-	-	-	-	-	-	-	-	-
Advance insurance premium	-	-	-	-	-	-	-	-	-	-	-
Accounts payable	✓ -	352,618	44,341	50,682	58,057	66,654	76,697	88,453	102,244	118,452	(321,360)
Other liabilities	✓ -	-	-	-	-	-	-	-	-	-	-
Cash provided by operations	(1,679,889)	1,025,288	774,253	838,287	899,093	954,361	1,001,138	1,035,674	1,053,238	1,034,928	11,729,123
<i>Financing activities</i>											
Change in long term debt	✓ 1,849,251	-	(205,355)	(222,399)	(240,858)	(260,850)	(282,500)	(305,947)	(331,341)	-	-
Change in short term debt	✓ -	-	-	-	-	-	-	-	-	-	-
Change in export re-finance facility	✓ -	-	-	-	-	-	-	-	-	-	-
Add: land lease expense	✓ -	-	-	-	-	-	-	-	-	-	-
Land lease payment	✓ -	-	-	-	-	-	-	-	-	-	-
Change in lease financing	✓ -	-	-	-	-	-	-	-	-	-	-
Issuance of shares	462,313	-	-	-	-	-	-	-	-	-	-
Purchase of (treasury) shares	-	-	-	-	-	-	-	-	-	-	✓ -
Cash provided by / (used for) financing activities	2,311,563	-	(205,355)	(222,399)	(240,858)	(260,850)	(282,500)	(305,947)	(331,341)	-	-
<i>Investing activities</i>											
Capital expenditure	✓ (507,741)	-	-	-	-	-	-	-	-	-	-
Acquisitions	✓ -	-	-	-	-	-	-	-	-	-	-
Cash (used for) / provided by investing activities	(507,741)	-	-	-	-	-	-	-	-	-	-
NET CASH	123,933	1,025,288	568,898	615,888	658,234	693,511	718,638	729,726	721,897	1,034,928	11,729,123
Cash balance brought forward	-	123,933	1,149,221	1,718,119	2,334,007	2,992,241	3,685,753	4,404,390	5,134,116	5,856,014	6,890,942
Cash available for appropriation	123,933	1,149,221	1,718,119	2,334,007	2,992,241	3,685,753	4,404,390	5,134,116	5,856,014	6,890,942	18,620,065
Dividend	✓ -	-	-	-	-	-	-	-	-	-	-
Cash carried forward	123,933	1,149,221	1,718,119	2,334,007	2,992,241	3,685,753	4,404,390	5,134,116	5,856,014	6,890,942	18,620,065

14.5 Useful Project Management Tips

Technology

- List of Machinery & Equipment: (As per Section 12.5)
- Animal Selection: Selection of disease free animals with good breed characteristics, body conditions and health.
- Feed, Vaccination and Medication: Should be procured from reputed and reliable sources.
- Energy Requirement: Should not be overestimated or installed in excess and alternate source of energy for critical operations be arranged in advance
- Machinery Suppliers: Should be asked for after sales services under the contract with the machinery suppliers
- Quality Assurance & Standards: Quality standards need to be defined on the ear tags and a system of record keeping should be developed to check them

Human Resources

- List of Human Resource: (As per Section 12.7)
- Adequacy & Competencies: Skilled and experienced staff should be hired for the project.
- Performance Based Remuneration: Employees should be paid and rewarded keeping in view their performance.
- Training & Skill Development: Encouraging training and skill of self & employees through experts and exposure of best practices can be an asset for business. Least cost options for Training and Skill Development (T&SD) may be linked with compensation benefits and awards.



14.5 Useful Links

- Government of Pakistan, www.pakistan.gov.pk
- Ministry of Industries & Production, www.moip.gov.pk
- National Youth Development Program, www.kamyabjawan.gov.pk
- Ministry of National Food Security & Research, www.mnfsr.gov.pk
- Ministry of Education, Training & Standards in Higher Education, www.moptt.gov.pk
- Government of Punjab, www.punjab.gov.pk
- Government of Sindh, www.sindh.gov.pk
- Government of Khyber Pakhtunkhwa, www.khyberpakhtunkhwa.gov.pk
- Government of Baluchistan, www.balochistan.gov.pk
- Government of Gilgit Baltistan, www.gilgitbaltistan.gov.pk
- Government of Azad Jammu Kashmir, www.ajk.gov.pk
- Trade Development Authority of Pakistan (TDAP), www.tdap.gov.pk
- Security Commission of Pakistan (SECP), www.secp.gov.pk
- Federation of Pakistan Chambers of Commerce and Industry (FPCCI)
www.fpcci.org.pk
- Punjab Board of Investment & Trade (PBIT), 23-Aikman Road, GOR-I, Lahore
Tel. 042-99205201, www.pbit.gov.pk
- State Bank of Pakistan (SBP), www.sbp.org.pk
- National Bank of Pakistan (NBP), www.nbp.com.pk
- Bank of Khyber (BoK), www.bok.com.pk
- Bank of Punjab (BoP), www.bop.com.pk
- All Pakistan Meat Exporters and Processors Association, Lahore,
www.apmepa.com
- Punjab Agriculture and Meat Company (PAMCO), Lahore, www.pamco.bz
- Pakistan Agricultural Research Council (PARC), Islamabad, Tel. 051-9203966
www.parc.gov.pk
- University of Agriculture, Faisalabad, www.uaf.edu.pk
- University of Veterinary & Animal Sciences (UVAS), Out Fall Road, Lahore,
www.uvas.edu.pk
- Veterinary Research Institute (VRI), Ghazi Road, Lahore Cantt., Tel. 042-99220140
- Agribusiness Support Fund (ASF), Lahore, www.asf.org.pk
- Directorate of Livestock Farms, L&DD, Lahore, Tel: 042-99201126-7
- Livestock Experiment Station (LES), Dera Chahl Lahore, L&DD, Punjab, Tel: 042-99239818, 99239819
- Directorate of Livestock Training Centre (LSTC), Bahadurnagar, Okara, Tel: 044-2661393

15. KEY ASSUMPTIONS**Table 11: Project Assumptions**

Initial Installed Capacity (No. of goats per batch)	220
No. of goat batches / year	3
Annual Installed Capacity (No. of goats)	660
Capacity Utilization (%)	100
Initial live weight of goat (kgs)	15
Purchase Price Rs./ kg (live body weight)	450
Average Daily Weight Gain (grams/ day)	120
No. of Feeding Days	120
Feed/ TMR offered per animal (% of live body weight)	3
Price of Total Mixed Ration TMR (Rs/ kg)	28
Green fodder offered/ animal (% of live body weight)	5
Price of green fodder Rs/kg	6
Live body weight (kgs/ animal) at selling time	30
Selling Price (Rs. / animal live body weight) in year 1	14,700
Selling Price / kg (live)	500
Space required (Covered Area/ animal) Sq. ft	12
Open space / animal (Sq. Ft.)	24


 The logo for the Small and Medium Enterprises Development Authority (SMEDA) is displayed in a blue rectangular box. The letters 'S', 'M', 'E', 'D', and 'A' are arranged horizontally in a white, serif font.

S M E D A